

VZCZCXRO5513
RR RUEHCHI RUEHDT RUEHHM
DE RUEHBD #0227/01 2110716
ZNR UUUUU ZZH
R 300716Z JUL 07
FM AMEMBASSY BANDAR SERI BEGAWAN
TO RUEHC/SECSTATE WASHDC 3893
INFO RUEHZS/ASEAN COLLECTIVE
RUEHRL/AMEMBASSY BERLIN 0024
RUEHBY/AMEMBASSY CANBERRA 0423
RUEHLO/AMEMBASSY LONDON 0101
RUEHKO/AMEMBASSY TOKYO 0501
RUEHFR/AMEMBASSY PARIS 0033
RUEHBS/USEU BRUSSELS

UNCLAS SECTION 01 OF 03 BANDAR SERI BEGAWAN 000227

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SENSITIVE

DEPARTMENT FOR EAP/MTS, EAP/RSP, EAP/PD, AND OES

E.O. 12958: N/A

TAGS: [SENV](#) [EAID](#) [PREL](#) [BX](#)

SUBJECT: HEART OF BORNEO TRILAT STARTS TO COORDINATE RAIN FOREST
ACTION PLANS

REF: A) DYCAICO E-MAIL 7/20 B) BANDAR SERI BEGAWAN 206 (NOTAL)

SUMMARY

¶1. (SBU) The Government of Brunei hosted a trilateral Heart of Borneo (HoB) meeting at which Indonesian and Malaysian representatives agreed to an 11 point action plan (ref A) to begin stitching together national plans into a coherent strategy for conserving Borneo's remaining primary rain forest. Brunei tabled an offer to host and fund an HOB Secretariat for the first three years but its HoB partners did not concur, and so further work defining coordination tasks will be needed for the three countries to reach consensus on establishing a central coordination point. Brunei will seek a compromise way forward and continue to aggressively develop and implement its own HoB plans. Corporate and institutional donors are beginning to join the USG and European governments in supporting the HoB Initiative. The USG should consider how we can support next steps - including the concept of a matching fund to support recovery of degraded or destroyed rainforest - now that the HoB initiative is gaining momentum. END SUMMARY.

Compromise Action Plan

¶2. (SBU) Brunei hosted a trilateral meeting on July 19 with Heart of Borneo (HoB) Initiative action officers from Malaysia and Indonesia. The goal of the meeting, chaired by Brunei's Deputy Minister of Industry and Primary Resources Dato Hamdillah Wahab, was to follow up the political-level agreement among the three governments that exercise sovereignty on the island of Borneo by hammering out the framework of a strategic implementation plan for the HoB to coordinate national level strategic plans. Brunei hoped to have an agreed document ready for approval at the next BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East-ASEAN Growth Area) Senior Officials meeting in November.

¶3. (SBU) The delegates clearly had different expectations for this event. The Indonesian delegation came with a proposed terms of reference document that was essentially a re-draft of the February HoB Declaration. The Malaysian delegation, led by Sarawak state officials, was less interested in statements and strategic plans and more interested in discussing the specifics of proposed joint projects. Representatives of ERE Consulting Group, the firm hired by Brunei to help develop its strategic plan, told DCM that the differing levels of preparation for this meeting were due partly to

long-standing, historical preferences of Sarawak to seek its own path rather than to blindly follow program mandates from Kuala Lumpur. They further explained that of the six political jurisdictions on Borneo covered by the HoB (Brunei, the Malaysian states of Sabah and Sarawak, and the three Indonesian states), Brunei was furthest along in developing its own strategic plan and thus more ready to talk about coordination. Sarawak, they added, was the furthest behind in HoB planning.

¶4. (SBU) The resulting concluding document from the meeting (ref A) - the work of ERE partner and retired WWF Malaysia Executive Director Datuk Mikaail Kavanagh - only calls for each country to develop National Project Documents as soon as possible, with a target date for completing individual National Plans to be set at the next BIMP-EAGA meeting. The group did agree that future meetings and seminars would be held to focus on best forestry practices, tourism development, and understanding the scientific value of biodiversity.

HOB Secretariat - Brunei offers Cash & Space

¶5. (SBU) Brunei's signature initiative for the conference was an offer to provide office space and three years of funding for a Secretariat for the HoB. That was a last-minute improvement on the

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offer of partial funding that Brunei had planned to make (ref B), probably in an attempt to sweeten the pot even further once Indonesian and Malaysian resistance to placing an HoB Secretariat in Brunei became evident. In pitching the proposal, Dato Hamdillah explained that Brunei wanted the Secretariat to be self-funded - primarily through donations - but that the GoB would fund the start up and cover the bulk of any donation short falls for another two

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years after the initial three year period.

Indonesia & Malaysia have Different Visions

¶6. (SBU) In response to the Bruneian proposal, Indonesia offered to host the first two years of a rotating secretariat. Malaysia preferred not to have any permanent secretariat. Malaysian head of delegation Dr. Penguang Manggil, Controller of Environmental Quality on the Sarawak Natural Resources and Environment Board, told us that there were already too many secretariats and meetings and that he preferred to just get on with the work that underlies the HoB initiative. In that vein, Malaysia offered to organize a joint scientific expedition into the HoB region - to be held on June 2008 in the Sarawak region. Given the differing views, no agreement could be reached on establishing a secretariat and the trilateral meeting deferred consideration of the issue. To help build a future consensus, Datuk Kavanagh offered to take the first step of drafting a document outlining what an HoB coordinating body would do.

Way Forward

¶7. (SBU) In a later conversation with Ambassador, Dato Hamdillah tried to put the best possible interpretation on the meeting, insisting that solid progress had been made and drawing a distinction between an "HOB Secretariat" and "HOB Center." He said that there was agreement in principle that some form of secretariat had to be established, if only as a kind of central clearinghouse and repository for the plans and reports done by each of the three HOB partners. However, no such agreement had been reached on an HOB Center, which is loosely conceived as a focal point for publicizing, monitoring, and researching progress on the HOB initiative. Hamdillah said Brunei still believed the establishment of an HOB Center was a worthwhile project, and saw two options for a way forward: first, continue working on Malaysia and Indonesia to agree to establishment of such a center; or, as a second best solution,

proceed to set up such a center as a unilateral undertaking and hope that the other two HOB partners would join in later. He indicated that Brunei planned to pursue the first option over the next several months before moving onto the second if that proved necessary.

HoB Securing More Assistance

18. (SBU) Hamdillah said Brunei would have its HOB implementation roadmap done by the end of 2007. At the trilateral meeting, Brunei Shell Petroleum signed an agreement to provide B\$ 204,000 (approx USDOLS 135,000) to help develop Brunei's plan. In addition to the Brunei Shell donation to HOB, representatives of the French oil company Total told us that they too were looking at a donation to the HOB since the company was active in all three HOB countries. Donations to projects in Brunei would be made through Total's Brunei subsidiary, and in other parts of Borneo via the Total corporate foundation based in Paris.

19. (SBU) As host of the trilateral meeting, Brunei took steps to signal that the HoB partners appreciated the support the HoB has received from donor governments to date and intended to provide them with transparency into HoB implementation. The U.S. and French Ambassadors and British Charge d'Affaires all accepted Dato Hamdillah's invitation to sit with him at the Bruneian delegation's table during the trilateral's opening session, and their deputies were welcomed subsequent sessions (the USG and HMG have already donated to HoB, and the French Ambassador is encouraging the aforementioned donation from Total). Also, the Asia Development Bank was invited to the meeting by Brunei, and committed to a fact-finding mission in support of possible technical assistance to the HoB area. ADB regional specialist Jacques Ferreira told us that ADB was looking at an initial project of up to USD 500,000 depending on the findings of the mission.

Comment: Next USG Steps?

110. (SBU) Now that the USG seed funds have sprouted an increasingly viable project, we should begin to look at how we can move toward

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program support that yields tangible, measurable results on the ground. Post is already working with Embassies Jakarta and Kuala Lumpur and the Department on a regional international visitor program in FY-08 to bring key HoB implementors to the U.S. to study how we manage cross-border national parks and environmental regions.

One possible further step would be to create a matching fund -- along the lines of matching funds used for humanitarian landmine removal -- to leverage private donations for rainforest rehabilitation. In Brunei, private citizens, schools, and corporations have seized on an initiative organized by one of the international schools to plant one million trees in Borneo to help restore degraded rainforest areas. Already funds have been raised to support initial plantings in the Sabah region of Malaysia. A USG matching fund would be a high profile way to support the HoB while encouraging local ownership of a project with potentially global environmental impact.

SKODON